

April, 1961



# THE NATIONAL *Voter*

THE LEAGUE OF WOMEN VOTERS OF THE UNITED STATES

1026 17th STREET, N. W., WASHINGTON 6, D.C.

## FARM PROBLEM A FRANKENSTEIN?

### Capacity & Production Big; Income Small

Commentators refer to the "raging" technology in U.S. agriculture.

Agriculture has outstripped industry in technological advance. Between 1947 and 1959, output per man-hour on the farm increased almost 100 percent while nonfarm productivity increased about 36 percent.

In yield per acre, the technological revolution in agriculture is even more striking. Back in 1930, 42 million acres were required to produce less than 14 million bales of cotton. But in 1960 a little over 15 million acres produced 14 million bales. Between 1947 and 1959, the increased yield per acre for all crops has been almost 20 percent.

The average production of milk per cow in 1946 was 4,886 pounds; in 1960 it was 7,004 pounds.

The number of broiler chickens produced in 1946 was 293 million; in 1960 it was 1.8 billion.

#### We Can't Use It All

We have farm surpluses because we produce more than we consume. To take fresh vegetables (without melons) as an example, production in 1960 was 14 percent higher than in 1949. But consumption in 1960 was only 5.7 percent higher than in 1949. On a small scale this illustrates the heart of our farm problem: the imbalance between supply and use.

In mid-March 1961, the following surplus stocks were held by the federal government: *wheat*, 1 billion bushels; *corn*, 1.4 billion bushels;

*rice*, 29.9 million pounds; *peanuts*, 29 million pounds; *cotton*, 3.1 million bales. Present storage costs are over \$500 million a year or \$1.4 million per day.

#### But Farm Income Drops

Since 1947, farm income has risen by \$3.3 billion but production expenses have gone up \$9.2 billion, so net farm income has dropped \$5.9 billion. President Kennedy in his agricultural message to Congress said that the income of farm families today is lower relative to the rest of the population than at any time since the '30s.

### Government Concerned About the Farmer

Any federal program has to move simultaneously on three fronts: overcapacity, accumulated stocks, and low farm income.

In 1933 the federal government inaugurated a program to improve the lot of the farmer, whose problems are unique. He is more vulnerable to the vagaries of the weather than are other producers. His decisions about what to plant, and how much, are almost impossible to alter once they have been made. His response to a low income is often to force more production from his acres, thus further increasing total supply. Acting individually, the farmer finds it difficult to bargain effectively for a fair return on his labor and investment.

Basically, federal action has been designed to place a floor under farm income and, however unsuccessfully, to bring supply into some reason-

able balance with outlets.

#### Producer Is Consumer, Too

Though we think of the farmer primarily as a producer, he is also a consumer—of automobiles, tractors, and a host of other items. Therefore a drop in farm income adversely affects other parts of the economy. The desirability, then, of keeping farm incomes at a reasonable level limits what can be done about productive capacity and surpluses.

### Exports Are Outlet For Farm Surpluses

The United States is the world's largest exporter of food and fiber. In 1960, agricultural exports were valued at \$4.5 billion—the second highest year on record. Of this total, \$3.1 billion were for dollar sales. About a quarter of these transactions involved government assistance, making it possible to sell abroad at the world market price, which is lower than the domestic, government-supported price.

In other words, the government subsidizes a portion of commercial sales. The present Administration's program calls for increased efforts to promote dollar sales of agricultural products abroad.

### "Food for Peace" Or Surplus Disposal?

The Agricultural Trade Development and Assistance Act of 1954, Public Law 480, christened "Food for Peace" in 1959, was designed to do the following things:

1) Provide a means whereby surplus agricultural commodities could be disposed of through sales for local currencies—in short, an outlet for accumulated stocks.

2) Expand international trade on the assumption that as recipient nations become stronger economically and can afford to import agricultural products for hard currency, their pattern of trade with the United States will have become established through P.L.480 and they will be permanent customers. This has happened with Japan.

3) Aid the economic development of underdeveloped countries. The assumption is that developing countries, eager for industrialization, receive through our surplus food sales additional resources for this task. Our products serve to hold down consumer prices in evolving urban and industrial areas, hence pressure for higher wages will not choke industrialization.

#### Concept Shifts

The mixed motives of P.L.480 raise many problems.

If we move away (which we seem to be doing) from the concept of our agricultural abundance as a burdensome surplus and toward the concept of using our agricultural skill to implement a moral commitment to meet human need and development at home and abroad, we may come to consider P.L.480 less as a disposal program and more as a tool for such a purpose. It might then be necessary to bring under the program such foods as fats, oils, proteins, i.e., products other than, say, wheat and corn.

IF YOU MOVE and wish to continue to receive THE NATIONAL VOTER you must notify your League of your new address, giving old address at same time.

Contributions from our farm surpluses should also be provided in such manner as not to create the kind of competition that would invade established markets of producers in receiving countries. They should serve as a stimulus to agricultural development, not a deterrent. "Food for peace," "economic development," and the like, if they are to be more than appealing slogans, must take into account problems much more complex than disposal of products which we happen to have in surplus.

## P.L.480 Works in Four Different Ways

P.L.480 has four parts.

*Title I* authorizes the exchange of surplus farm commodities for foreign currencies.

*Title II* makes possible grants of surplus food for famine and disaster relief and other assistance.

*Title III* provides for donation of surplus food to voluntary U.S. relief, welfare, or religious agencies operating abroad and to organizations like UNICEF for feeding needy people in other countries.

*Title IV*, added in 1959, authorizes long-term supply contracts and credit arrangements for annual delivery of U.S. surplus food.

## Local Currencies Are National Headache

Under P.L.480, the exchange of surplus farm products for foreign currencies has created a problem as we accumulate large amounts from certain countries. For example, the United States is holding an amount of Yugoslav currency equivalent to almost 12 percent of that country's gross national product for 1960.

Acceptance of foreign currencies for surplus food appeals to Congress because the transaction is viewed as a "sale," not a "give-away."

But the local currencies paid to us cannot be converted into dollars, though they can be used by us in ways which yield indirect benefit. We can use them in the respective local country to pay some local expenses of the U.S. government or to purchase strategic materials, and we may loan up to 25 percent to local branches or subsidiaries of U.S. firms, or loan local currency to the local government for economic development projects.

Since the program began in 1954, about \$2.3 billion in local currencies has been earmarked for loans to 30 countries. The largest disbursement in 1960 was made to India for water and power development.

#### Loaning a Country Its Own Money

There is some misconception about "loans" of local currencies. Money is only a claim on resources, and by loaning the recipient countries their own money we do not

add to local resources but do add claims on the resources of the country.

Loans of local currencies to these governments may serve to ease the problem of obtaining revenue to meet their budgets, which is especially important to countries which have inadequate tax and fiscal programs. Probable local currency indebtedness to the United States by 1963 has been estimated at \$9 or \$10 billion.

#### Problem Is Political, Too

The excess accumulation of certain currencies is increasingly serious for U.S. foreign policy since it is a political as well as an economic problem. We may be leaving ourselves open to the charge that we "own" certain countries. For example, Pakistan's local currency obligations to us are already over \$235 million. It is perhaps straining the bonds of good will to have such large holdings of a country's currency held by a foreign power.

The President's Task Force on Food for Peace has urged that local currencies be used to create bi-national foundations for health and educational activities. It also recommends that the President be given full authority "without restriction" to use, manage, and dispose of local currencies under the program.

Others concerned with the problem have suggested adoption of the method followed under the Marshall Plan in Europe, under which local currencies were placed in a trust account in the name of the recipient country and were released only with the approval of the Economic Cooperation Administration. They were known as counterpart funds and did not become the property of the U.S. government as is now the case under P.L.480.

## Legislation Needed

The President has asked for a 5-year extension of P.L.480, which expires December 31, 1961. He has also asked authorization of \$2 billion additional to pay for food distributed abroad in 1961. This is needed because the present authorization was almost exhausted by the May 1960 agreement to supply \$2.2 billion worth of food to India. The House Agriculture Committee reported March 23 a bill, H.R.4728, which would authorize the additional funds.

# KULP (Keeping Up with League Program) (As of April 13)

**FOREIGN POLICY:** "There exists in the 1960s an historic opportunity for a major economic assistance effort by the free industrialized nations to move more than half the people of the less-developed nations into self-sustained economic growth, while the rest move substantially closer to the day when they, too, will no longer have to depend on outside assistance," President Kennedy told Congress March 22 in his Foreign Aid Message.

The President described his proposed program as a possible dramatic turning point in the troubled history of foreign aid if the less-developed nations are willing to undertake necessary internal reform and self-help and if other industrialized nations are willing to undertake a much greater effort on a much broader scale.

He proposed special emphasis on development loans repayable in dollars, as more conducive to business-like relations and mutual respect than sustaining grants or loans repayable in local currencies, although he did not rule out the latter. Special attention was promised for those nations most willing and able to mobilize their own resources, to make social and economic reforms, and to engage in long-term planning.

He proposed planning and financing long-term development loans on a 5-year basis and asked Congress to authorize the borrowing of \$7.3 billion from the Treasury during that period: \$900 million for fiscal 1962, \$1.6 billion in each of the next four years.

The total request for fiscal 1962 funds for economic development will be \$2.4 billion. This includes the \$900 million borrowing authority plus the sum of \$1.5 billion in the form of the usual annual appropriation. Military assistance, about \$1.6 billion, would be separately authorized and appropriated, and would be administered by the Defense Department.

The President proposed combining the administration of all foreign economic aid programs in a single agency to include the International Cooperation Administration (ICA), the Development Loan Fund (DLF), the Food for Peace Program (P.L.480), local currency lending activities of the Export-Import

Bank, the Peace Corps, donation of nonagricultural surpluses, and all other related services now provided by the State Department and the ICA. The agency's administrator would report directly to the Secretary of State and the President. Field work would be under the direction of a single mission chief in each country, reporting directly to the U.S. Ambassador.

The authorizing legislation for the fiscal 1962 foreign aid program may not be sent to Congress until mid-May. The new Administration is still working on details of the program.

**Latin America:** The President has asked Congress to appropriate the \$500 million authorized last year for the Latin American social and economic development program. Most of these funds would be administered by the Inter-American Development Bank (IDB). The House Appropriations Committee held hearings late in March but has not reported a bill.

Members of Congress report that they have received practically no mail showing public interest in the Latin American aid program.

**DLF:** Congress granted the Development Loan Fund an additional \$50 million for fiscal 1961, earmarked for Latin American economic development programs, in agreeing to a conference report March 29 (House) and 30 (Senate). The House had originally ignored the request for \$150 million to replenish the Fund; the Senate had granted the full amount. Requests for loans from other areas, including India and Pakistan, which the DLF had been hoping to fulfill before July 1, must now wait until Congress acts on the foreign aid legislation, probably late in the summer.

The Report of the Senate Select Committee on National Water Resources is available on request from the Senate Interior and Insular Affairs Committee, Washington 25, D.C.

Contains recommendations of the Committee and summaries of the Committee Prints.  
Good reading!

**WATER RESOURCE DEVELOPMENT:** The Senate Interior and Insular Affairs Committee held a hearing April 13 on S.239, the proposed Resources and Conservation Act of 1961. Mrs. Whittemore, a national Director of the League, made a statement in support of the bill. Several state Leagues filed supporting statements.

**Columbia Interstate Compact:** The Columbia Interstate Compact, supported by the Leagues in the Columbia River Basin states, was ratified by the Montana Legislature with no opposition and by the Idaho Legislature with little opposition, but died in committee in Washington and Oregon.

**Delaware Interstate Compact:** supported by the Leagues of New York, New Jersey, Pennsylvania, and Delaware, has been approved by the New York Legislature and has cleared the lower house of the New Jersey Legislature.

**D.C. NATIONAL REPRESENTATION:** The 23rd Amendment is now a part of the U.S. Constitution, and citizens of the District of Columbia will be able to vote for President and Vice President in the 1964 election.

State Leagues who made ratification of the Amendment a major part of their legislative program this year can claim a great deal of credit for the speed and enthusiasm with

Missouri, Oklahoma, Rhode Island, New Hampshire, and Kansas were the last five of the necessary number of states, 38, to ratify the 23rd Amendment. The first 33 were listed in previous issues of THE VOTER.

which it was ratified. League members wrote letters to state legislators and to editors; state Leagues made statements to legislative committees; League "lobbyists" got endorsements from Governors and sponsors for the ratifying resolution, and talked with leaders of the legislatures to get the resolution "unstuck" on several occasions when it seemed doomed to die in committee.

National representation for the District has been on the national Program since 1924. To have achieved the vote for President and Vice President is a victory indeed.

# Dear Member:



"Too many people are unconcerned or uncaring about equal representation (in state legislatures) except for the League of Women Voters, who in their nonpartisan way have been fighting the battle almost alone."

Among the millions of people who heard Edward R. Murrow make that flattering statement about us over CBS on January 5 was a League husband in Indianapolis. His wife reports that he nearly fell out of his chair. "He's been hearing League for 20 years, but it took Mr. Murrow to convince him."

Social scientists refer to this phenomenon as the "status conferral function of the mass media." In their book Lazarsfeld and Merton state: "The mass media enhance the authority of individuals and groups by legitimizing their status. Recognition (by media) testifies that one has arrived, that one's opinions are significant enough to require public notice."

We are told that what is true of individuals and organizations is also true of ideas. The very fact that a subject is chosen for discussion in press, magazine, or television gives it prestige.

League members can therefore take pride in the fact that both CBS and NBC have devoted programs to problems of state government in which we are interested, that ABC produced a program on water pollution, and that NBC plans to devote a Nation's Future hour in June to a debate on trade.

It's nice to know that "League" subjects have status! We will continue to make suggestions to all media on subjects we would like to see brought to public attention. We hope you will, too.

There is something else League members can do. We can be a receptive audience. Communicators cannot talk or write or show pictures—cannot communicate—unless there is someone on the receiving end.

Edward Stanley, Director of Public Affairs for NBC, brought home this point to the CCCMF conference in Los Angeles in January with this story: "For several years we carried on the NBC radio network an outstanding report on the week's activities at the United Nations. In reorganizing, the program was cancelled. In a month or so I asked how many letters of protest or inquiry had been received. Not a single letter had been received. Who listens?"

Again, this is where League members come in. We can be a responsive audience by commanding to net-

work or producer a program we like, by registering disappointment when a program we like has been taken off the air, by helping increase the audience for worthwhile programs. The same with other media: we can write a letter to the editor commending an editorial, protest when our favorite columnist is dropped, clip an editorial and pass it along.

What's more, such efforts are effective. Joseph T. Klapper in "The Effects of Mass Communication" indicates that "the common social habit" of reminding friends about a broadcast or an article supplements and reinforces the communication itself.

Yes, we and the communicators need each other.

*Muriel S. Phillips*  
President

## FAREWELL AND HAIL

This, too, is a "Dear Member" letter—but it was directed to members of one local League by the President of that League. We give you excerpts of the letter which we found in the Bulletin of the League of Women Voters of Atlanta, Georgia.

"Farewell to what?" I said when asked to write a farewell piece for the Bulletin. To two years of being President, to six years of being on the Board? Fine. But farewell to the League? Never! And to help after I'm gone, I've put the League in my will.

"I no longer wonder why I love the League; I know why. Before I joined, I didn't even know how to make a motion. Now I'm not afraid to lock horns with the Governor. My mind has been stretched, too, never to return to its once narrow size, I hope. I've had to study like a graduate student; I've had to think, make decisions, and, hardest of all, put my thoughts on paper. The League has been a hard taskmaster but I am grateful.

"I am grateful, too, for the 'League people' I've come to know. They are interesting, intelligent, stimulating; my best hours have been spent in their company. And I'm a great admirer of 'state and national,' of which we are a part. The Atlanta League has had a helpful, harmonious, happy relationship with both our 'sisters.' I have never once felt a 'parent-child' relationship.

"What will I do next? I promised myself to rest, not take on anything else for a year. But my phone rang and the voice at the other end said: 'Will you be chairman of the Legislative Forum for Women next year?' And I said: 'Let's get a committee together right away and begin making plans now.'

"So, to the League of Women Voters, thanks for everything. I've had a wonderful time."

*—Sara Mitchell*

**"You can't take it with you" . . .**  
but can make sure it will do League work.

**Here are three simple ways:**

1. Make a direct bequest to the League in your will.
2. Provide for a direct transfer.
3. Set up a trust.

Consult your bank and your attorney as to how best to carry out your wishes.

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